# Delaware Public Employees' Retirement System New State Police Pension Plan

# Retirement Planning



Presented by the State of Delaware Office of Pensions

#### Current Statistics (as of 6/30/21)

- 38,048 Retirees (including terminated vested) from all nine plans
  - 329 from New State Police Pension Plan (NSP)
- 45,242 Active Members in all nine plans
  - 732 from New State Police Pension Plan (NSP)
- Over \$14.6 billion in the Delaware Public Employees' Retirement System (8 pension plans, 1 length of service award plan, 3 post-retirement trusts, 1 investment pool made of three entities)
  - Assets of \$744.5 million in NSP Pension Plan
  - 112% funding ratio for NSP Pension Plan

SERVING THOSE WHO SERVE DELAWARE 1971-2021



#### Pension Contributions

- 7% of compensation
  - Excludes overtime payments and special payments for extra duties
  - Pre-tax
- Employer
  - Fiscal Year 2023 (beginning July 2022):
    - 27.16% pension contributions
    - .36% future retiree health care fund
    - 1.00% post retirement increase fund
    - 3.87% current retiree health care
  - Total employer contributions = 32.39%

### Retirement Eligibility – Service Pension

• 20 years of credited service

• 10 years of credited service due to age (Age 55)

• Age plus credited service (but not less than 10 years) equals 75

## Retirement Eligibility - Vested Pension

• Must have 10 consecutive years of credited service

• Pension is effective first of the month following 62nd birthday

# Unified Pension

May combine service in the following Pension Plans with service in the New State Police Plan, provided not collecting a monthly pension from them.

- County & Municipal General Employees'
- State Employees'
- County & Municipal Police & Firefighters

## Amount of Service Pension

- Service up to and including 20 years
  - Multiplied by 2.5% of final average monthly compensation
- Service above and beyond 20 years
  - Multiplied by 3.5% of final average monthly compensation

Final average monthly compensation: The monthly average of the highest 36 consecutive months or 3 periods of 12 consecutive months of compensation (excluding overtime and special pay for extra duties).

## Buy-In Options Upon Retirement

• Actuarial – Full-time Uniformed Police Service

Can be used to establish eligibility

\*Buy-in option must be approved and/or verified by the Office of Pensions prior to retirement

### Who is an Eligible Survivor?

A survivor is a person eligible to receive a monthly pension at the time of the active member or pensioner's death

- Spouse
- Child/children under age 18, unmarried, and if between the ages of 18 and 22, a full-time student
- Child permanently disabled as a result of a disability that began before the child attained age 18
- Dependent parents

#### Amount of Survivor Pension

- Death of an active member = 50% monthly average compensation
- Death of an active member in the line of duty = 75% of monthly average compensation
- Death of a retired member = 50%, 66.67%, 75%, or 100% of service or disability pension according to election at time of retirement

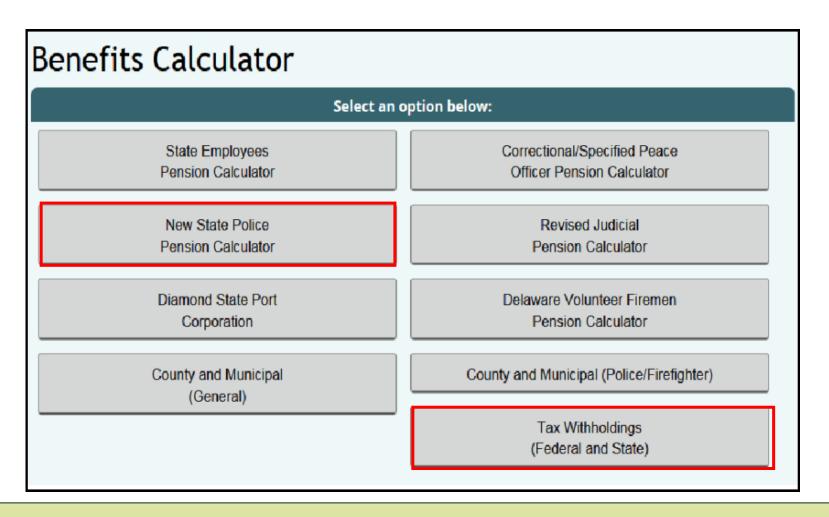
# Who is a Beneficiary?

• A <u>beneficiary</u> is named on the Member Actuarial Information form or the Contributory Designation/Change of Beneficiary form and receives a lump sum distribution of the balance of member paid pension contributions, plus interest, in the event there is no eligible survivor at the time of the member's death.

# Calculating Your Estimated Monthly Pension Visit www.delawarepensions.com



## Calculating Your Estimated Monthly Pension



#### Estimated Credited Service

#### New State Police Calculator



#### Compute your estimated monthly pension:

Your pension amount is primarily based on your years of credited service and your Final Average Compensation\*.

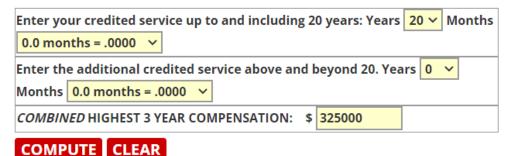
#### **Amount of Ordinary Service Compensation:**

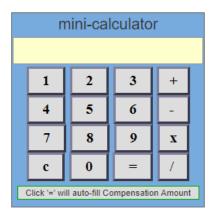
Your *monthly pension* is the sum of 2.5% of your Final Average Compensation multiplied by up to 20 years of credited service under the New State Police Plan inclusive, **plus** 3.5% of your Final Average Compensation multiplied by all years of service exceeding 20 under the New State Police Plan.

#### **Helpful Hint:**

Do not use commas in the combined highest 3 year compensation field. For example, type 100000 instead of 100,000.

Please choose the nearest month or decimal in accordance with your State of Delaware service.



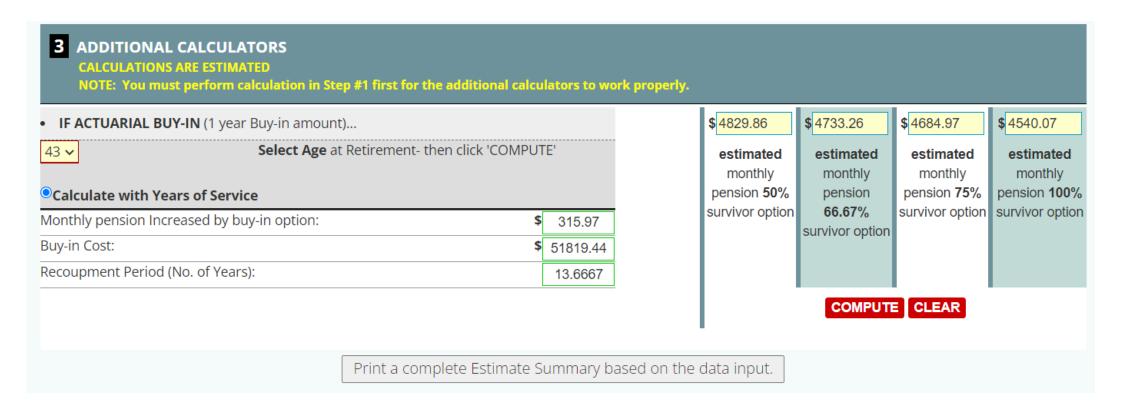


# Monthly Estimated Pension

yield your Average Monthly Compensation

• Calculation factor (Average Monthly Compensation x 2.5%) for your first 20 years of credited service • Calculation factor (Average Monthly Compensation x 3.5%) for your first years of credited 315.97  service above & beyond 20  • Calculation factor (Average Monthly Compensation x 3.5%) for your first years of credited 315.97  service above & beyond 20  • Stimated monthly pension 50% pension 75% survivor	
• Calculation factor (Average Monthly Compensation x 3.5%) for your first years of credited 315.97 pension 50% pension 75%	estimated monthly
	pension 100%
Credited number years of service 20 years or below     20.0000 option survivor option	survivor option
• Credited number years of service above and beyond 20 0.0	

# Actuarial Buy In



# Burial Benefit

- \$7,000 benefit
- No cost to pensioner
- Beneficiary(ies) designation
- Payment is taxable

- All plans coupled with prescription plan coverage
- Changes in coverage once a year during the open enrollment period in May; changes are effective July 1<sup>st</sup>
  - Medicare–eligible members' open enrollment period occurs in October; changes effective January  $1^{\rm st}$
- Life Changing Event Changes must be done within 30 days of the event

- Health benefits are available with the "State Share" paid by the State of Delaware for members:
  - First hired prior to 7/1/1991
  - Disability Pensioners

• For members first hired on or after 7/1/1991 through 12/31/06, the following portion of the "State Share" will be paid by the State of Delaware:

•	Less than 10 years of credited service	0%
•	10 years – 14 years 11 months	50%
•	15 years – 19 years 11 months	75%
•	At least 20 years	100%

 For members first hired on or after 1/1/07, the following portion of the "State Share" will be paid by the State of Delaware:

•	Less than 15 years of credited service	0%
•	15 years – 17 years 5 months	50%
•	17 years 6 months – 19 years 11 months	75%
	At least 20 years	100%

#### Health Insurance Example

#### **Health Insurance Sample**

Comprhensive PPO Plan for Individual & Spouse Coverage 7/1/2019

Coverage	<b>Total Monthly Rate</b>	State Share	Pensioner Pays
Individual	\$793.86	\$688.68	\$105.18
Individual & Spouse	\$1,647.23	\$1,429.08	\$218.26
Individual& Children	\$1,223.46	\$1,061.38	\$162.08
Family	\$2,059.40	\$1,786.54	\$272.86

- ➤ Hired on January 1, 1986 Retiring with 15 Years of Service (\$1,429.08 \* 0%) \$218.26 = \$218.26 per month
- ➤ Hired January 1, 2003 Retiring with 15 Years of Service (\$1,429.08 \* 25%) \$357.27 + \$218.26 = \$575.53 per month
- ➤ Hired January 1, 2007 Retiring with 15 Years of Service (\$1,429.08 \* 50%) \$714.54 + \$218.26 = \$932.80 per month

#### Medicare Coverage

- Medicare Part A and Part B enrollment is required for all pensioners and their eligible insured dependents when they attain Medicare eligibility either due to disability or age 65.
- Medicare Part A Federal Hospital insurance
- Medicare Part B Federal Medical insurance (doctors, supplies, etc.)
- Medicare Part D Prescriptions
  - An individual can only have one Part D enrollment, Tricare coverage is the exception.

\*Contact a Benefits Representative for further details

## Direct Deposit

Mandatory for monthly pension

Deposited on the last business day of each month

#### **Taxes**

- Monthly pension is taxable by the Federal Government
- May or may not be taxable in the State where the retiree maintains permanent residence
- Form 1099-R

### Payment of First Monthly Pension

- Your first Pension Check will be on a 1 month lag
  - Retire June 1st your will receive your first check July 31st
  - Double Pay
  - Double Deductions
- Monthly pension is calculated after the receipt of your final pay from your Organization
- Online pay advices
- Post Retirement Increase (PRI)
  - A PRI is a pension increase received after retirement
  - Granted upon Legislative approval
  - 1% was given 1/1/2015
  - \$400 one-time supplement November 2018
  - July 2021 based on Effective Date of Retirement
    - 3% Prior to 7/1/1991
    - $2\% \frac{7}{1/1991} \frac{6}{30/2001}$
    - 1% 7/1/2001 6/30/2016
  - \$500 one-time supplement November 2021

## After You Retire

- The Office of Pensions maintains pensioner records
- Updates must be in <u>writing</u> with signature
  - Name
  - Address
  - Other personal information
    - Please note if you update your information on your Single Sign On account you must still submit your updates in writing
- Available to answer questions or concerns

## Contact the Office of Pensions

The Office of Pensions maintains pensioner records Website: www.delawarepensions.com

Email address: Pensionoffice@Delaware.gov

Phone: (302) 739-4208

Toll free: (800) 722-7300

Fax: (302) 739-6129

Office Address: McArdle Building

860 Silver Lake Blvd, Ste. 1

Dover, DE 19904-2402

# Pay Schedules

Year 2018	
Pay Check	
1/5/2018	
1/19/2018	
2/2/2018	
2/16/2018	
3/2/2018	
3/16/2018	
3/29/2018	
4/13/2018	
4/27/2018	
5/11/2018	
5/25/2018	
6/8/2018	
6/22/2018	
7/6/2018	
7/20/2018	
8/3/2018	
8/17/2018	
8/31/2018	
9/14/2018	
9/28/2018	
10/12/2018	
10/26/2018	
11/9/2018	
11/21/2018	
12/7/2018	
12/21/2018	

Year 2019
Pay Check
1/4/2019
1/18/2019
2/1/2019
2/15/2019
3/1/2019
3/15/2019
3/29/2019
4/12/2019
4/26/2019
5/10/2019
5/24/2019
6/7/2019
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Year 2020
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1/17/2020
1/31/2020
2/14/2020
2/28/2020
3/13/2020
3/27/2020
4/10/2020
4/24/2020
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9/11/2020
9/25/2020
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11/20/2020
12/4/2020
12/18/2020
12/31/2020

Year 2021
Pay Check
1/15/2021
1/29/2021
2/12/2021
2/26/2021
3/12/2021
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